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19 MAY 1982

88-246

Richard L. Daerr, Jr.  
Vice President  
General Counsel

1100 Milam Building  
Suite 500  
Houston, Texas 77002  
Tel 713 658-9511 Telefax 713

14 MAY 1982

via Federal Express

STAT

[Redacted]  
L & PLD/OGC  
Central Intelligence Agency  
Washington, D.C. 20505

Re: CIA Headquarters Facilities, Langley, Virginia

Dear Jim:

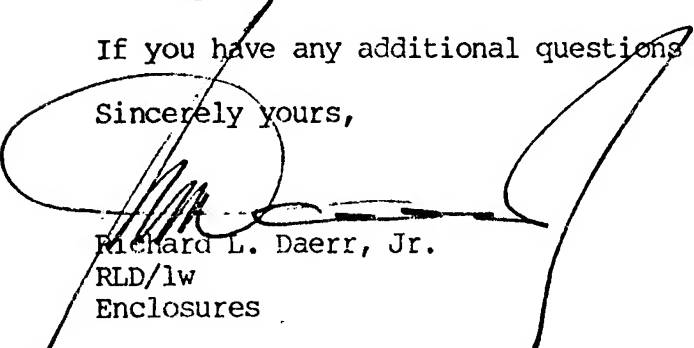
This letter will confirm the opinion I expressed in our telephone conversation today that the award or the potential award of the above project to the CRS/Sirrine Joint Venture would not be considered a "material" event for S.E.C. purposes and thus would not trigger any disclosure or reporting requirements under Federal Securities laws. Further, any information relating to any potential government contract is held highly confidential within the CRS organization.

Interedec (USA), Inc., a U.S. company indirectly held by Dr. Ghaith R. Pharaon, a Saudi Arabian national, currently holds approximately 16.91% (449,622 shares) of the issued and outstanding shares, including treasury stock, of The CRS Group, Inc. ("CRS"). Interedec shares are held for investment purposes only and Interedec does not and cannot exercise any control over CRS nor may Interedec elect a representative to the CRS Group Board of Directors. The CRS Group, Inc. Bylaws do not permit cumulative voting. As I mentioned, CRS has a Department of Defense SECRET Facility Security Clearance. In addition, ten CRS officers, directors and executive personnel have individual SECRET Security Clearances. Any CRS officer or director that does not have a Security Clearance is prevented by Board Resolution from access to classified information. I am enclosing the following documents for your consideration:

1. The CRS Group, Inc. Bylaws;
2. February 16, 1982 SECRET Facility Security Clearance;
3. June 17, 1981 Department of Defense Security Agreement;
4. Listing of CRS officers, directors and executive personnel with individual SECRET Facility Security Clearances; and
5. Department of Defense Certificate Pertaining to Foreign Interests.

If you have any additional questions please give me a call.

Sincerely yours,

  
Richard L. Daerr, Jr.  
RLD/lw  
Enclosures

cc: Paul A. Kennon

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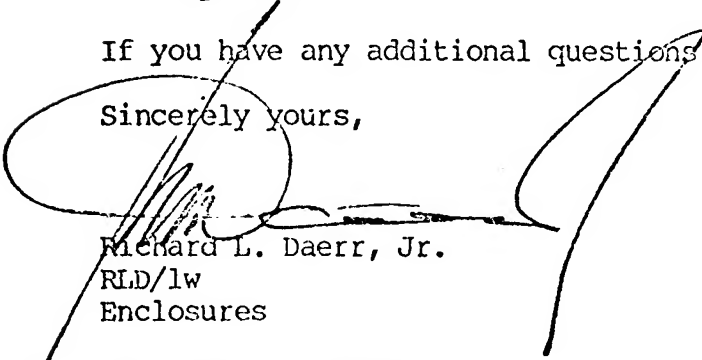
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